

# BIBLICAL ECONOMICS TODAY

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## A SENSE OF ACCOMPLISHMENT

by Gary North

One of the phrases we hear today is this one: "People have no pride in their work any more." There is a sense of loss in our era. The erosion of standards of craftsmanship represents an even greater moral erosion in our society.

Unquestionably, the free market system has produced remarkable examples of productivity. There is no way that we can even compare an inexpensive hand-held electronic calculator with the adding machines that were universal a decade ago. There is no way that we can compare a home entertainment center—stereo set, color television, TV games, etc.—with anything that existed prior to the 1920's. Kings did not have anything like the gadgets that average American buyers consider to be normal. The high level of craftsmanship in a 1908 car, which in its day cost two or three times a typical family's annual income, did not produce a car as reliable, comfortable, and inexpensive to operate as any Detroit assembly line can produce today. Mass production techniques have indeed produced miracles.

Nevertheless, there are serious problems with any system of production that men can devise, since the tasks of dominion are always costly, one way or another. The world in its fallen state resists our efforts to subdue it, and this includes ourselves. We are rebellious, too. We resent being subdued. We resent the organizational forms which call forth our labors. The problem with today's production system, from a psychological and emotional point of view, is its impersonalization. This is as true in a socialist country as in a capitalist one. In fact, it is probably more true in a socialist country, since the deadening hand of bureaucracy has less competition under socialism.

There is a famous section in the early pages of Adam Smith's *Wealth of Nations* (1776) which describes the amazing productivity of a then-modern pinmaking operation. A single pin-maker could scarcely produce one pin a day without the modern division of labor, but a team of ten using specialized equipment could, in Smith's day, produce close to 50,000 pins in one day, or about 5,000 per man per day. Obviously, this productivity is of great benefit to the consumer of pins. The average man can buy all that he can use.

The cost of this productivity is not measured only by wages paid or the expense of the metal involved. Alexis de

Tocqueville, the brilliant young Frenchman whose visit to America led to the writing of his classic book, *Democracy in America* (1833), commented on Smith's observations: "When a workman is unceasingly and exclusively engaged in the fabrication of one thing, he ultimately does his work with singular dexterity; but at the same time he loses the general faculty of applying his mind to the direction of his work. He every day becomes more adroit and less industrious; so it may be said of him that in proportion as the workman improves, the man is degraded. What can be expected by a man who has spent twenty years of his life in making heads for pins? And to what can that mighty human intelligence which has so often stirred the world be applied in him except it be to investigate the best way of making pins' heads?"

Is there some resolution of this seeming paradox? How can we continue to be the beneficiaries of a system of price-competitive mass production and still avoid the potential depersonalization involved in the high degree of specialization required by modern mass production techniques? As serious Christians, can we suggest realistic alternatives to the secular world?

The first and most important point to bear in mind is that the depersonalization of modern man has been the product of a philosophy of depersonalization. The secular humanists from the Renaissance to the Marxists and existentialists have denied the very foundation of personalism, namely, the Creator who made and presently sustains the whole creation. Speaking of Christ, Paul writes: "For by him were all things created, that are in heaven, and that are in earth, visible and invisible, whether they be thrones, or dominions or principalities, or powers: all things were created by him, and for him: And he is before all things, and by him all things consist" (Col. 1:16-17). Ours is a universe of **cosmic personalism**. Therefore, we are true persons because we are made in the image of God (Gen. 1:26). We must beware against the intellectual lure of some form of environmental determinism. It is not the mode of production which depersonalizes men; it is the philosophy of depersonalized autonomy which leads to the depersonalization of modern production methods.

Nevertheless, we do know that Tocqueville's comments are significant. We know, for example, that overspecialization of

production leads to a drone-like inattention to detail and therefore an increase of industrial accidents. Such depersonalized, overspecialized methods also produce boredom, and this in turn leads to alcoholism, absenteeism, and other social problems which interfere with overall productivity. Some plants have been redesigned to reduce the specialization of production by adding extra steps in the process for which one worker is responsible, or by creating teams of workers with a true sense of co-operation.

A fact to remember is that depersonalized men are ultimately less productive. Zombies are not creative, careful, enthusiastic workers. The market creates counter-pressures against overspecialization at the point where it threatens profitability. It becomes profitable for less specialized companies to enter the market in competition with older, highly specialized companies. These new firms offer the bored worker an escape hatch. Men need this freedom to choose, and where it exists, the market restrains overspecialization and its side effects. (A side effect is a real effect which we would prefer to avoid and which we did not plan on, so we call these real effects "side effects.") Socialist production, being monopolistic, does not provide comparable pressures against overspecialization.

Again, we should not rely on a particular form of economic organization, namely the free market, to protect us from a false religion. We should not be environmental determinists. The crisis of our age is a spiritual crisis, not an economic crisis. The economic crisis is a product of the philosophical and spiritual crisis, contrary to Marx and the Communists, who prefer to see the economic crisis as paramount. What we need is a biblical philosophy of man and labor. This can then be coupled with the institution of the free market, with its freedom of choice in occupations and its competitive pressures to restrain those factors in the production process which mitigate against profitability.

The worker today looks at his labor from the point of view of his ultimate presuppositions. If he is alienated from God, he will be alienated from some segments of God's creation, and increasingly in our day, this means labor. Men are bored with their work. They do not see their labors in terms of God's call to men to subdue the earth (Gen. 1:28-30). They do not find a sense of purpose in the universe, and increasingly, they find no sense of higher calling or ultimate purpose in their labor. Under such conditions, it is inescapable that a man's job will eventually repel him, even if he is a workaholic. A man buries himself in his work to escape purpose, to forget purpose, and to find meaning in his own labor. The sign that he cannot find such meaning in labor may be a retreat from work in leisure activities, or it may be a demonic pursuit of too much work. The average man in our era seems to retreat from work, leaving massive piles of work for the few who become workaholics to bury themselves in. Men often pursue that which repels them and which they know will eventually destroy them, and work can be one of these items. The point is that by abandoning faith in God, the source of meaning, modern men lose a sense of purpose.

As the old Protestant work ethic dies—an ethic which was based on the concept of dominion under God—we find that the quality of labor declines. Every field is threatened by this

decline of respect for work. There are not enough workaholics to patch up the crumbling work ethic. Yet men need the ethic in its original theocentric form if they are to remain true to their sense of calling. It was not the respect for work, as such, which created the modern world of mass production. It was the respect for God, who commanded men to subdue the earth for His glory, which created the respect for work. We are witnessing the steady erosion of our spiritual capital, the work ethic's foundation, and as a result, we find sloppy performance. The auto industry has an unwritten rule: never buy a car which was built on Friday or Monday. The workers on Friday were thinking about the fun-filled weekend, and the workers on Monday were recovering from it.

The rise of the home craftsman industry is not simply a product of higher prices for consumer goods. Taking a man's time into account, most home-built products are much more expensive than mass-produced items. Men create products that they can take pride in when they work in the shop or garage. They can point to their own handicrafts and say, "I did it, start to finish." Of course, they didn't. Consider the division of labor necessary in the creation of a simple nail, not to mention a sophisticated power saw. Still, it is the use of a tool in personalized production which can produce a sense of accomplishment. The market responded to this need to feel responsible for the creation of a product, and the "do it yourself" industry was born.

Not all of us can be writers. Writers can always look at the product of their own labors and say, "I produced this." It is one of the great compensations that most writers get, since very few of them make a living at it, unless they are salaried on a newspaper or magazine staff. Not all of us can be sculptors, painters, or fine artists. Not all of us can be craftsmen who produce high priced goods for the rich. Most men have to serve the needs of their fellow men, and their fellow men want price-competitive goods and services. This requires a considerable degree of mass production. But the Christian manager will take care to create a sense of accomplishment among his staff. He will do what he can to promote the gospel of Christ as it applies to labor, not just as a means of personal salvation. We cannot create a sense of accomplishment in our work without having a sense of purpose which provides the framework for the evaluation of our achievement. God's calling provides this ultimate purpose.

Men and women should be encouraged to find personal meaning in their seemingly boring tasks. They are serving God and man by being honest, efficient, reliable laborers. They should also be encouraged to find means of service outside their jobs if their labors are burdensome to them. Service, leisure, recreation, home craftsmanship, drudgery, boredom, and profit: all are lawful and rewarding if performed within the cosmic personalism of God's creation. The subduing of the earth is not always a picnic, and even when it is, the ants show up. But labor is holy if done under God and for God. When men understand this principle, the alienation of modern work will be reduced drastically. The answer to alienated labor is not government ownership of the means of production. The answer is the realization that God is the ultimate owner, and that we are merely stewards of His property (Ps. 50:10-11; Mt. 25:14-30).

## HAS GOD MANDATED A WAY?

by Tom Rose

It is true that, in the mind of God, it makes no difference under what kind of economic and political rule His children live? Or, to pose the question in another way, is God indifferent to the atmosphere and manner in which men exchange goods and services? Is He just as pleased to see man's economic activity centrally controlled and regulated by the totalitarian State compared to the decentralized responses of self-directed, God-responsible individuals via the impersonal mechanism of the free market?

Or, to put the issue still differently, has God, or has He not, mandated a particular way in which men should conduct themselves in producing and exchanging the many economic goods and services they and their families must depend on for their very survival?

This is a vital question for Christians to consider. For, depending on how they answer, they will either give aid and support to the forces in society that are ever striving to erect the all-powerful secular State as supervisor over every aspect of human life; or they will resist those forces in favor of the principle of voluntary exchange by persons who stand as free and self-responsible before God.

Some fifteen years ago this writer stumbled at the threshold of accepting Christ as his Saviour for some time because so many so-called Christian leaders advocated socialist/communist ideology. How can Christianity be the answer, I asked, if it stands for the immoral system of coercive economic exchange directed by totalitarian rulers?

But, praise the Lord, the Word of God stands true, while some Christians and so-called Christian leaders can be very, very wrong! Upon a challenge by a believer who is now with the Lord, this confused searcher for truth started reading what the Bible says—not what men said the Bible has to say.

A fair reading of God's inspired word does indeed show that God has mandated an economic way for man to follow. It is only too evident that many Christians—those who believe the Bible upholds, or at least tolerates, State collectivism as a method of economic exchange—have not properly "thought God's thoughts after Him."

What, then, does God's word have to say about man, man's self-responsibility before God, and the principle upon which man is to conduct his economic activity?

We find the Trinity in the midst of a discussion about man before the foundation of the world: "Let us make man in our image, after our likeness..." (Genesis 1:26).

One aspect of our God-given nature is that we, like God, have the power of looking at an object or of considering an alternative and then placing a value upon it. This, in effect, is exactly what God did when He placed His love on Israel. This is exactly what God did when He chose each of his elect before the foundation of the world, and when He announced that His creation was good (Genesis 1:31).

Now we may ask: Does God give gifts He doesn't expect man to use? We are told that God "... hath blessed us with all spiritual blessings. . . before the foundation of the world that

we should be holy and without blame before him in love. . ." (Ephesians 1:3,4). No, the clear message from God is that man has **received**, and God expects man to **use**, the gifts He has so graciously bestowed. "For we are his workmanship created in Christ Jesus unto good works, which God hath before ordained that we should walk in them" (Ephesians 2:10).

The question we must ask is this: Would God have given man the internal ability to **make** value imputations if he didn't intend for man to have the necessary freedom to **act upon** those value imputations in his social environment? The whole question of man's economic freedom and individual self-responsibility before God hinges on this very question. To the extent that the coercive State imposes its will on man in the area of economic activity, to the same extent is man deprived of his crucial role as trustee before God.

But Christians who see their fellow men suffering and in need sometimes reply that most men aren't Christians, and even some who profess to be don't seem to be guided too strongly by God's admonition to "... love thy neighbor as thyself" (Matthew 19:19). Isn't it proper in such a situation, they ask to use the agency of civil government as a vehicle for transferring needed resources from "those who have" to "those who don't"?

To answer this question properly, one must presuppose that we hold a biblical view of the sovereignty of God and also assume that the wealth in question was honestly gained. It is God in his sovereignty who bestows riches on whom He will, "Both riches and honor come of thee. . ." (1 Chronicles 29:12). (See also Eccl. 5:19.) God's laws, "Thou shalt not steal" and "Thou shalt not covet. . ." (Exodus 20:15,17), don't seem at all to be conditional. God didn't say we should not take or covet our neighbor's property **unless** we think someone else needs it more. Nor did God ever say that we have a right to appoint the State to do collectively what we are prohibited from doing individually. No, for when speaking to the rich young ruler, our Lord left it completely up to him whether or not to give his wealth to the poor (Matthew 19:19-22). And in the parable of Lazarus and the rich man, the latter was also free to share or not share his wealth (Luke 16:19-25). How else could he have maintained his self-responsibility before God for the wealth God had bestowed on him?

As our society moves over closer toward the anti-Christian, humanist concept of the State as regulator and controller of the people and provider of their daily bread, it is incumbent upon Christians that they sincerely seek to discover the mind of God and think His thoughts after Him on important social issues. For only we who are Christians—through the subjective work of the Holy Spirit in response to the objective Word of God—are truly in a position to lead society in a moral direction. Property and man's self-responsibility are inseparable and inviolable according to the Scriptures. But this in no way precludes—rather it enhances—the duty of Christians everywhere to do the works of love: "this is a faithful saying, and these things I will that thou affirm constantly, that they which have believed in God might be careful to maintain good works" (Titus 3:8).

## IS FREE ENTERPRISE BIBLICAL?

by Roger Morefield, Ph.D.

It is almost a foregone conclusion with many conservative Christians that the economic system most consistent with biblical principles is a system in which voluntary exchange between free, responsible individuals is allowed to proceed with as few fetters as possible. (This is variously described as "free enterprise," "free private enterprise," "unfettered private enterprise," "pure capitalism," and so on.) Since even our most cherished conclusions should be subject to scrutiny in the light of the Scriptures, it is time to raise this question. So let's examine some common notions of what free enterprise is, in order to see how they compare with biblical standards.

Unfortunately, free enterprise is one of those malleable terms which varies according to the user. For example, businessmen usually are referring to freedom from government intervention in the conduct of their businesses when they speak of free enterprise. Ordinary secular economists who speak of it are probably thinking of the smoothly working, self-righting system envisioned by 19th-century classical economists who built upon the foundation laid by Adam Smith in *The Wealth of Nations*. Socialist critics of the American economy, normally preferring the terms "capitalism" or "monopoly capitalism" to free enterprise, focus on the "horrors" which spring from the ownership of private property, such as alienation, exploitation, racial and sexual oppression, and inequitable distributions of income.

Other examples of the use of this term could be given, but there is one sense in which "free enterprise" has distinct theological implications, and it is here that Christians must exercise care. We know that the heart's desire of unregenerate man is to be free of the restrictions placed upon him by the existence of a sovereign Creator God. A popular modern manifestation of this is the libertarian ideology. Libertarians today openly espouse a philosophy of freedom from every restraint. Their guiding principle is that men should be free to do anything they wish as long as others are not harmed by their actions. This really boils down to complete lawlessness, since the determination of what constitutes "harm" varies from person to person.

The libertarian philosophy as it applies to economics is forcefully presented in a tract entitled *The Incredible Bread Machine*. "The Incredible Bread Machine," a film based on the book, is shown in free enterprise seminars and economics classes throughout this country.

A philosophy which begins with the autonomy of man as a fundamental principle is atheistic at bottom. Libertarians cannot consistently speak of moral standards which he could not impose on anyone else. The libertarian notion of free enterprise is thus freedom from every restraint in the economic sphere. This is in conflict with biblical principles which serve to define economic relationships. There are general principles such as man's stewardship of the creation and responsibility for acknowledging God's existence and rule. And there are numerous specific principles defining economic

relationships of many kinds. For example, employers are to pay adequate wages (Deut. 25:4, Mal. 3:5), weights and measures are to be kept honest (Prov. 25:4-5), lenders must be reasonable about the collateral they require from borrowers (Ex. 22:26-27), and so on. It is clear that persons wishing to honor God come under a number of restraints not acknowledged by the unregenerate. Therefore, Christians cannot agree with "free enterprise" that refers to freedom from God-ordained moral and ethical restraints.

Perhaps the problem lies with the contemporary passion to escape from reality. We are daily exhorted to "buy one, get one free." "Freedom" is hawked in connection with everything from automobiles to yoga. "Liberation" is sought by organized interest groups of every conceivable persuasion. But for the Christian, the condition for personal freedom is defined in concrete terms. In a verse which is used out of context more often than not, Jesus said:

And ye shall know the truth, and the truth shall make you free (John 8:32).

Heretical cults love this verse and use it to lead into their version of the "truth." But Jesus was very specific about the truth to which He referred, because in this same context (John 8:36) and in other places He equated Himself with this "truth" that brings freedom. So, knowing Him is the key to freedom. Since it is also true that "he that loseth his life for my sake shall find it" (Matt. 10:39), genuine freedom is only to be found in being bondservants of Him who is "the way, the truth and the life" (John 14:6).

What about free enterprise as envisioned by non-libertarian businessmen, farmers, various kinds of economists, and ordinary citizens? Regardless of the meaning imputed to free enterprise by individuals or organized groups, we cannot accept explicit or implied suggestions of freedom from biblical standards. For example, while we agree with the socialist that the existence of racial and sexual oppression is a curse, we cannot agree with his humanistic assumption that ownership of private property is the root cause of the problem, since the protection of property rights is a dominant feature of the Mosaic law. To abolish private property in order to rid ourselves of various kinds of oppression would be to use evil means in an attempt to achieve results, which is condemned in Scripture (see Romans 3:8). Perhaps a better example is the distinction which can be made between pure food and drug laws and legislation imposing general wage-price controls. The first is biblically consistent and would not harm legitimate businesses, while the second is inconsistent and harmful to businesses and consumers.

It is now possible to answer the question of whether free enterprise is biblical. Obviously, the answer is "It depends on what you mean by 'free enterprise'." We acknowledge and gratefully accept the paradoxical truth that economic enterprise is most truly "free" when it is conducted in accordance with the standards imposed in God's word. Economic exchange under Scripture is truly free enterprise; economic exchange in accordance with the logic of fallen man is not.